# EXHIBIT 8

**This transcript must be read in conjunction with the Investor Presentation, including the disclaimer at page 78, which also applies to this transcript**

# WORLD TELEVISION

## Cadbury

## Cadbury Defence Presentation - Investor Conference
14th December 2009

Roger Carr: Well thank you, John, and good morning ladies and gentlemen. And welcome to the Cadbury Defence Presentation at which we will seek to outline to you the compelling case for rejecting the derisory offer made by Kraft to acquire the company.

As part of this presentation, and further proof of the considerable value of the company, we will also be providing you with our pre closing trading update.

At the outset I want to be very clear that our argument is not for independence for its own sake; it is a clinical and factual case for ensuring our shareholders either retain the full benefits of continued ownership or receive fair value for surrendering control.

There is no strategic, managerial, operational, or financial merit in combining with Kraft. Indeed we consider the reverse it true. We profoundly believe that absorption of Cadbury into a low growth, conglomerate business model will undermine the benefits of our pure-play focus, stifle the enterprising spirit of management and slow the momentum of growth that we have created.

Cadbury may be the catalyst for growth that Kraft management so desperately crave; we believe however that Kraft's ownership of Cadbury would inevitably dilute the culture and damage the prospects of ever delivering the performance growth necessary to drive the share price improvements that Kraft shareholders have waited for so patiently for so long.

As we have said from the start, whilst Kraft needs Cadbury, Cadbury does not need Kraft and over the next 40 minutes Todd and Andrew will demonstrate the strength and merits of our position.

Before handing over however I would emphasise the following: Cadbury is a remarkable and valuable company; it has iconic brands, an enviable global footprint. It is proving its worth through strong performance and now signposting its considerable potential with details of its future revenues, profit and cash prospects. It is a corporate jewel.

The hostile approach by Kraft has been contemptuous of both our inherent value and our shareholders. It offers nothing that is commercially appealing or appropriately rewarding. It is a blatant and opportunistic attempt to acquire the right business at the wrong price.

It is an attempt that will be fiercely resisted. The board of Cadbury are adamant that the value of the business model must not and will not be stolen from our shareholders. I'll now hand over to Todd.

Todd Stitzer: Well thank you, Chairman, and good morning, ladies and gentlemen. Today I'm going to set out the details of Cadbury's long-term strategy. We believe this strategy provides a clear and compelling case for an independent Cadbury, a unique pure-play confectionery company that can and will deliver high performance and higher value for our shareholders.

I'll start with the strength of our strong standalone business, provide a brief update on our Vision into Action progress and how this has created a focused Cadbury, a high performing business, delivering strong profitable growth.

I'll then set out the next part of our journey, the years from 2010 to 2013 and the actions we'll take to deliver higher performance and higher value. I'll cover the growth, capabilities and

sustainability agenda and Andrew will cover our margin and cash flow plans before handing you back to Roger.

Over the past seven years we've successfully transformed Cadbury by investing in confectionery and exiting beverages to create a focused pure play business that's bigger, stronger and better placed to grow in a uniquely attractive market.

The outstanding leadership team responsible for this transformation are here with us today. Their profiles are included in your materials and they'll be around afterwards if you'd like to ask them questions. Many of them have a purple and white tie; that's how you can identify them.

Today, Cadbury is well positioned as the only significant global pure-play confectionery business the market can invest in. For us this is very relevant as we see the confectionery market as uniquely attractive. It is one of the few very large packaged foods categories with high long-term growth prospects and good margins. Importantly these margins are protected by a low level of private label penetration, great brands, heritage taste preferences and - in the case of gum - technology and investment that creates competitive advantage.

Cadbury's portfolio includes a number of world leading brands as well as new fast growing products and very strong local and regional brands that can leverage our smart variety model to benefit from efficiencies and scale.

We have also built an excellent geographic footprint, with activities in most markets across the globe we have number one positions in 13 markets and number two positions in a further eight. In developed markets we hold market leadership positions in our top five markets of the UK, US, Australia, France

and Canada. These represent nearly 80% of our developed market business.

We also have leading positions in the high growth emerging economies where we have leadership in one or two categories and strong leadership positions overall. These include India, South Africa, Turkey, Mexico, Argentina, Brazil and Poland.

In 2007 we set out our Vision into Action business plan for the four years from 2008 to 2011. The plan included a clear programme of investments, organisational changes and management priorities. The plan has driven a far-reaching transformation and delivered results ahead of targets. Simply stated we have shown that we can both walk and chew gum. On the one hand we've delivered revenue growth around the top end of our goal range while simplifying the portfolio and driving growth in our focused brands. On the other our investment in restructuring and efficiency has improved our underlying operating margin from 9.8% in 2007 to at least 13.3% in 2009 and we fully expect to deliver good mid teens margins growth by 2011.

At the same time we've made significant investments in the business, fuelling growth through higher levels of marketing and innovation and investing in state of the art manufacturing and effective supply chains to drive customer service and lower costs.

These actions have created a strategically advantaged, financially strong business, which is very well positioned to grow long into the future.

Our shareholders' investment in our plan has already delivered many of the changes necessary and consumed most of the

required restructuring and capital costs. In fact by the end of 2009 we will have committed over three quarters of the investment, but are currently generating less than half of the full P&L benefit expected by the end of 2011.

This effectively means that a significant proportion of the benefits have yet to be accrued by our shareholders, a significant gain that will roll forward as we sustain the benefits of the transformation.

Our plan has step-changed the entire business, in the early years we focused on SG&A and central costs, driving significant long-term structural changes including closing our London head office, delayering the regional structure and most recently focusing resources on reducing the complexity of our European management structure.

Through this investment we have also fundamentally changed the way in which we do business by adopting a category led approach to innovation and brand building. At the same time we've invested in major supply chain projects that will yield significant benefits in the next two years as we continue to close facilities and reshape our business in line with the original Vision into Action plan.

Now the most significant change in our manufacturing footprint is the reconfiguration of our European supply chain. This is about moving out of Victorian era manufacturing assets into new state of the art facilities, as well as transferring capacity and production lines into new extensions of existing facilities.

We still have a few pieces of the puzzle to complete, but we've had no major setbacks to date, and fully expect to complete all the activities on time and within budget for all of the performance

parameters. As a result of all of these changes we are very confident that Vision into Action is creating a higher performance, higher value business.

Cadbury is now a more strategically advantaged business, focused solely on confectionery with excellent positions in emerging markets and a portfolio with strong brands and good growth opportunities. Our operations are strengthened with a well-invested supply chain infrastructure and higher investments in innovation and marketing.

As a result we are now financially stronger; but there's still more to come, which we expect to drive even higher performance and even higher value.

Last spring, long before Kraft made its unwelcome approach, we started a mid term review of our Vision into Action plan in the ordinary course of our planning process, to see how we could capitalise on the strong momentum we've created since 2007. Today, based on the conclusions of this review, we are upgrading our targets and extending our goals well beyond 2011.

Our new long-term revenue growth target will be to deliver 5 to 7% revenue growth per annum. On the back of our confidence of achieving good mid teens margins by 2011 we're setting ourselves the goal of reaching 16 to 18% operating margin by 2013. At the same time reflecting significantly reduced investments needs going forward we are focused on a more specific cash generation target; looking to generate 80 to 90% operating cash conversion from 2010 onwards.

One of the benefits of this programme will be our ability to finance a strong dividend growth policy and we are committing today to a target of double-digit growth on dividends.

Finally, having transformed our structure we're going to focus on the one or two areas in our capabilities and processes where we think we can make the biggest difference on our performance; building our unique culture and values while becoming more commercially aggressive in the way we work and make decisions.

We've updated our vision into action plan to reflect the changes in our vision, goal and priorities. As you can see from this schematic, they are a sensible evolution rather than a revolution building on the first two years.

So let me share with you more of the details and firstly our growth and market share plans. Our new long-term revenue growth target is to deliver 5 to 7% revenue growth per annum. Underpinning this ambition are realistic goals for each of our markets and categories, with specific action plans and investment strategies to deliver the progress we're looking for.

In emerging markets, for example, we are targeting 10 to 12% revenue growth, against a recent track record of 12%. Clearly our ambitions from here reflect emerging markets' growing size and their importance to the group as a whole, as well as a more conservative view on inflation and pricing. In fact within all these targets is a clear expectation that we will return to a more balanced price and volume dynamic, with volumes contributing on average two thirds of our growth over the next four years.

We are ideally placed to focus our future investments on the strongest growth opportunities that present themselves to all

parts of our business. I'm going to cover the drivers of our emerging markets growth and then spend a few minutes looking at the areas where we believe we can continue to drive profitable growth across our categories as a whole, particularly where products are well differentiated or the consumer is seeking specific benefits.

Turning first to look at the emerging markets. Over the next four years Euromonitor data suggests that emerging markets will continue to grow strongly, around three times the growth rate of the largest developed markets. As a result emerging markets will represent nearly 44% of the world market by 2013, from around 38% today.

So what's driving this continued strong growth? Overall for confectionery the growth in the size of the addressable market is more highly geared to increases in GDP than many other consumer staples. These charts show the way each category changes with rising GDP. For snacks, coffee and biscuits spend rises by only around $15 per $10,000 increase in income. For confectionery it is twice that amount at nearly $30.

Put another way in an emerging market where average income rises from about $4,000 to $5,300 in four years, an average income growth of around 6% - the confectionery market should increase by 40%. Specifically emerging markets are benefiting from increased per capita consumption across the whole market. For example in India the average consumer eats just over 50g of chocolate a year, a little more than one Wispa bar per annum. This is compared to around 400g for the BRIC markets as a whole and around 5Kg for Western Europe. For the chocoholics that about a half a large bar a week.

In gum the statistics are also powerful, in India the average consumer chews less than 20g of gum per annum, compared to 300 grams in Brazil, 550g in Mexico and 700g in the US.

How does Cadbury fit into this attractive picture? Well our business in emerging markets has grown from less than 20% of our turnover in 2002 to around 38% today and we expect that it will be around 45% by the end of 2013.

Cadbury's strong position in key emerging markets, particularly in Asia, Latin America and Africa provides and excellent platform from which to build profitably. We have successfully grown ahead of the market for the last five years, delivering 17% annual growth, 12% of which has been organic. And more importantly we have created a very profitable platform. Despite the high levels of investment required to capture growth in emerging markets, our margins there are very strong.

Our success in addressing this emerging market dynamic is one of the key factors behind our outstanding growth in a number of key markets. For example in India where we now have a business with revenues of around £240 million and a 70% share of the chocolate category. This strong position, combined with our insights into the Indian consumer, has enabled us to innovate to address the emerging needs of these consumers and build participation in the category.

For example, our Shots product launched in July 2008 consists of two small balls of chocolate coated with candy to make them temperature tolerant. Priced at two rupees or about 2½p Shots is a unique offering distributed through 360,000 outlets which focus on consumers who want easily available, affordable treats but with a strong brand and product quality that builds loyalty and repeat consumption. In just one year these magic little balls

of chocolate have taken a 3% value share of the Indian chocolate market.

In South America the story is a little different but with the same foundation of brand strength and route to market capabilities. Across South America we have £490 million business built around four strong brands in Trident, Chiclets, Bubbaloo and Halls. Over the last five years we've grown our business in South America by an average of 16%.

The cornerstone of our success has been the focused approach of our business to the fragmented impulse channel. Unlike most chocolate confectionery in South American markets, where the majority of products are sold through large grocery stores, more than 70% of our gum and candy products are sold in the up and down the street impulse market. Our business has built exceptional strength in this impulse channel, serving over 600,000 stores across the region, building both Trident and Halls as the number one brands in their respective categories.

Overall Cadbury's excellent position in emerging markets will present us with the necessary strengths to capitalise on underlying consumer demand and drive higher levels of organic growth which, as I said at the beginning, we estimate to be in the region of 10 to 12% on average over the next four years.

And in the places where we don't have the critical mass or competitive strength to drive growth as hard and as fast as we'd like, we will continue to look at white space growth opportunities and selective M&A as a means to strengthening our position.

A good illustration of this is our business in Southern Africa. There we've built our business around a total confectionary model, establishing strong positions in all of the three categories

- chocolate, gum and candy, and across all retail formats from small impulse through to the largest grocery chains.

Through acquisition and through organic growth in South Africa our products are already moving across borders and establishing positions in neighbouring countries which represent further white space, organic growth opportunities for us.

Before I turn to our category led initiatives, a quick word on our developed markets. We are building on a number of strong positions in developed markets, particularly in chocolate and gum where we are generally either the number one or number two in these major markets in which we compete. Our objective in the next phase of Vision into Action will be to grow developed markets steadily but not at exceptional rates - so in the range of around 3 to 4%.

We are looking to hold or capture modest market share, but improve the quality of our portfolio through more focused investment in innovation, brands and products.

This will enable us to improve margins and drive greater efficiencies behind the scenes. For example, our UK brand positions are excellent and we've also built a strong route to market; the second largest consumer products sales force in the UK. These strengths demonstrated their power as we drove our revenue to record levels over the last three or four years.

In the US our exceptional market share performance reflects the strength of our marketing and innovation as we've capture gum share, despite competing on Wrigley's home turf.

Let me turn now to look at our initiatives from a category standpoint. Our growth ambitions by category reflect greater

consistency between chocolate gum and candy and a level of performance that's consistent with our recent experience of growth. There are however differences in how we will deliver this growth, particularly the shifts from price lead to volume led, also between developed and emerging markets.

I'm going to review some of the category plans, category by category to give you an insight into some of the sorts of decisions we're going to be making to drive growth by category going forward.

Firstly chocolate, we expect chocolate growth to benefit most from consumer led innovations that will focus on higher growth and higher margin segments. For example, while a more modest part of Cadbury at the moment, we will continue to drive growth in Green and Blacks - a differentiated, premium, organic chocolate that we are successfully expanding in new markets such as the US and Australia.

This strategy has yielded good results to date with Green and Blacks growing revenues since we acquired the business in 2005 by an average of 12% a year.

We've also spent time improving our gifting and sharing products to increase consumer preference for the Cadbury brand in segments that attract premium pricing and improved margin. For example, our bite sized bag products in the UK, introduced in April of this year have already reached retail sales of nearly £40 million.

Leading edge marketing campaigns, including the vital strategies behind Gorilla, Eyebrows and other online campaigns, also broaden consumer participation within new audiences for

whom the brand was historically traditional or a little bit less relevant.

Finally, in line with our values and sustainability philosophy, we have worked hard through the Cadbury Cocoa partnership, and now Fair Trade certification to demonstrate the ethical nature of our business and products, aligned closely with a growing consumer awareness of sustainability issues.

In gum the focus continues to be on innovation, excitement and functionality, which we believe will further drive long term growth well above the average of the confectionery category. Despite all the recent innovations, we have a strong pipeline of value creating new products that we expect to bring to market over the next few years.

These will continue to focus on three core areas. Firstly, refreshment, where flavour and platform innovations like our new Trident Layers are having success, creating excitement in a whole range of consumers, both traditional to the category, but also trying gum for the first time on the back of the unique candy layer texture. Since launching the product four months ago in the US, we've sold £18 million of Layers and started to gain share again in the US gum market.

Secondly there are still opportunities to improve on the effectiveness of gum, either in flavour release or sustain, as well as texture; and these are both important parts of the gum chewing experience.

Finally as we push for higher value with consumers looking for strong product functionality, we are still seeing scope to enhance dental or hygiene properties of our products.

Overall gum has an innovation-led agenda with a lot more to come which we will rollout quickly across all of our markets.

In candy the strategy is more product-specific with the biggest opportunities for us in the better for you and indulgent segments. In Halls one of our most profitable brands, our strategy has been to expand the range into new functional areas and refresh segments. This has enabled the brand to move beyond its traditional cough / cold niche to a more mainstream set of consumers, driving the brand to sales of £450 million.

In more traditional soft bag candies we've continued to drive hard on developing more wholesome characteristics, and as a trend these look set to continue.

Finally in indulgent candies we are looking to drive greater innovation around our Eclairs portfolio. The original toffee covered, chocolate sweet can now be found in many flavour and texture variations and different formats to suit all price points in our developed and emerging markets. Eclairs is now a £72 million brand and grew by 30% this year, owing to great success in Asia.

These global innovations are enabling us to capitalise on innovation worldwide by transferring the platforms into local brands to leverage the original investment more effectively. Since 2002 our focus on confectionary has radically reshaped our investment in marketing and science and technology. This has been a crucial part of how we have driven revenues, with innovation making an increasingly significant contribution. As a result of our strategy we have more than doubled the contribution of innovation to our revenue and this year are very close to breaking our 15% target for the first time.

Continuing to make effective investment decisions is something we feel best placed to do as a focused pure-play confectionary company. The benefits of this investment are best illustrated with some well-known examples. Centre filled gum, launched in 2005, now represents a £230 million share of our turnover. The technology is sold in over 20 countries, under different brands, localised to consumer needs.

With long lasting gum launched in 2006 the platform has done similarly very well, establishing strong platforms with Stride in the US and Canada, Soft in the UK and Hollywood Style in France. Trident Layers, the first iteration of our candy layered gum, is now making good progress in the US as I described. To date its rollout has been as successful as the rollout of Stride. So perhaps we're seeing the emergence of another strong innovation platform from our gum team.

Bringing these themes together we feel we have a very realistic consumer led growth strategy, driving higher volumes as well as necessary cost driven pricing. Our targets are consistent with our long-term track record and reflect our growing exposure to emerging markets.

In developed markets we're looking to do more with the portfolio in terms of SKU rationalisation and maximising the benefit of our smart variety model. But this balanced view is reflected in our realistic revenue growth expectations for developed markets.

So taken together a bottom up plan to drive strong revenue growth, built on a good foundation of technology, brands and route to market strength.

Let me turn now briefly to look at our capability and sustainability agenda. We are now nearing the end of our structural

transformation. This chart shows the steps we've taken to move our business towards a category led model, from which we are deriving significant benefits; both in terms of commercial success and cost efficiency.

Our future priorities focus on our ability to more aggressively execute our commercial plans. We are after all a marketing and selling organisation. To do this we will invest to strengthen our talent, particularly in emerging markets where the strength of our brands means we can attract the best people.

Let me finish with a quick word on values and culture. Much has been said about Cadbury's culture and unique values. And it's true - Cadbury is special, with a way of doing business that's not only part of our identity, but is integral to our success. We call it being performance-driven and values-led. And it is rooted in a belief that doing the right thing is a competitive advantage. We understand the value of values, in strengthening our relationships with our consumers, our customers and our suppliers, in building our reputation and importantly in motivating our people.

This approach has taken us in exciting directions. Perhaps the most innovative of all is our work on cocoa sustainability with the creation of the Cadbury Cocoa Partnership and the move to Fair Trade. Ultimately some 350 million chocolate bars a year will be carrying the Fair Trade logo, adding value to our supply chain, adding value to our brand and adding value to the communities and the consumers that deal with our products. It's a perfect alignment of our values with those of our consumers, enabling us to differentiate our brand and sell more of our products.

On the environment Purple Goes Green, our industry-leading programme on climate change, has helped us engage

colleagues through a network of green advocates; but importantly to cut our water, energy and packaging use, saving us money and the earth's resources.

As we look forward we'll also be approaching our support of the London 2012 Olympics and Paralympics in a performance-driven values-led way. It's an approach that sits at the heart of our success, because today more than ever people want to work for, do business with, and buy from a company like Cadbury.

The response to Kraft's bid has demonstrated this, not just externally with thousands of consumers voicing their support all around the world, but internally with our already passionate colleagues - totally energised and determined to show the value of our great company through great performance.

In this way we will succeed as a higher performance, higher value business, delivering on our promises to all stakeholders and creating significant value for our shareholders. We're proud of the transformation we've managed and the results we've delivered. We're confident of our success as a higher performance, higher value business, delivering on our promises to stakeholders and creating value for our shareholders.

So before handing back to Andrew one final, personal observation. In my experience people create strategy, and people deliver results. The fundamental decision to be made about the long-term value of Cadbury is a decision about which team of people can deliver what they say they can. It's a judgement based on past performance and future promise.

In another war for independence, Thomas Paine wrote in his work entitled *Common Sense*, "The harder the conflict the more glorious the triumph. What we obtain too cheap, we esteem too

lightly. It is dearness only that gives everything its value". And he said about the character of the people in the conflict, "I love the man that can smile in trouble, that can gather strength from distress and grow brave by reflection".

Ladies and gentlemen the offer from Kraft is not the only distress that this great company has successfully faced down in the past seven years. During that time our team and our performance has consistently grown stronger. I assure you that significant reflection went in to the creation of our new targets. And that significant reflection leads to our confidence in committing today to deliver against them.

Thank you very much.

Andrew Bonfield: Thank you, Todd, and good morning, everybody. Although I am relatively new on the block I can only reinforce what Todd has said. I think there are 44,000 Cadbury employees who are 100% focused on delivering value to our shareholders over the next several years. And we have very strong support throughout the organisation for Vision into Action in phase one and two.

So as Todd mentioned, I'm going to share with you our perspective on how we plan to drive further margin improvement, greater cash generation and better returns through a sustained focus on efficiency and effectiveness.

Before I do this, let me just update you on our trading performance in 2009. Our performance from the fourth quarter has been aligned with the upgraded expectations that we guided you to at the third quarter. Highlights include good sales and market share growth in US gum, a strong cough / cold season benefiting Halls, and an excellent sustained performance from

our key emerging markets, particularly in South America and India.

Our business in the UK continues to perform well, although as expected the growth rate has declined as it laps a strong fourth quarter in 2008.

Trading conditions in Europe remain challenging but we've been encouraged by some improvement and our own market share performance. As a result we are reconfirming the upgraded guidance we gave at the third quarter results in mid October. Revenue growth is expected to be around the middle of our 4 to 6% goal range and we forecast to deliver at least 135 basis points improvement in our underlying operating margin. This will be at least 150 basis point on a reported currency basis.

Based on our guidance and looking at the reported currency figures, we now expect revenue for 2009 to be in the range of £6 billion. Our operating profit to be about £800 million and our EBITDA to be just over a billion pounds - all significantly higher than 2008.

Now let's turn to the future. When the original Vision into Action plan was announced in June 2007 we set out the steps we would be taking to improve margins. The key drivers were the restructuring plan, the benefits of mix and leverage, and the actions we would be taking to the portfolio to improve fundamental profitability.

At the same time we recognised the potential headwinds of cost inflation and the desire to invest in the business to sustain our growth ambitions.

We have made excellent progress in the first phase of the plan. In the first two years, we will have delivered over 350 basis points of margin improvement. This has been mainly driven by taking cost out of SG&A and group functions, as well as the delayering of the organisation. At the same time we have had to manage higher input cost inflation which we have done with robust pricing. These successful actions definitely protected the bottom line.

Looking to the next two years, the journey towards our original commitment of mid teems margins will be driven by the savings we generate in the supply chain, particularly in the UK and Europe, but also in Australia and New Zealand; as well as further action to reduce SG&A costs in our European business.

Today we are announcing our plan to drive further incremental benefits to margins. The new target is to deliver a 16% to 18% operating margin by the end of 2013.

What are going to be the drivers of this change? Well as of today the cost structure looks like this. The cost of goods sold represents about 53% of sales, marketing 10% and SG&A 18%. Within the cost base, procured materials and services make up around 50% of our costs and supply chain costs a further 20%.

These two areas present us with significant cost saving opportunities, things we have not been able to focus on until we've largely completed the transformation of the organisation and the reconfiguration of the supply chain.

By 2011 we expect that the investments we will have made will have created a strong fit for purpose supply chain infrastructure. We will have around 60 facilities, including a number of feedstock operations. Going forward the majority of production

facilities will be centres of excellence focused on scaled production; and strategic hubs, important sites that service regional distribution needs; together with a limited number of local facilities or third party arrangements where we can gain tax and duty advantages that outweigh the benefits of scale.

There will be further opportunities to rationalise our facilities, but we believe that the core infrastructure is in place and our strategy going forward can be focused on maximising the efficiency and the effectiveness of these plants, reducing costs, increasing output and improving gross margins.

To do this we are going to generate efficiency through driving scale and continuous improvement activities. We will also undertake limiting restructuring where we can without incurring exceptional restructuring costs, but absorbing any charges within business improvement costs.

Continuous improvement will be an important thing. As I mentioned a moment ago, our focus to date has mainly been on changes that affect that overall supply chain network. While our process improvement efforts have delivered annual reductions and total manufacturing costs, this has traditionally been done at the individual plant level. With the new supply chain network in place, we believe there is an opportunity to accelerate our continuous improvement activities by driving best practice and process consistency across the network.

Our plan assumes a modest increase in savings versus our historic benchmarks but we are confident in their delivery.

Let me give you an example of what we mean by continuous improvement.

In 2007 our plant in Sheffield had a poor safety record as well as an uncompetitive cost structure. We implemented a continuous improvement programme which included process improvement, labour reduction and automation projects led by ideas from the operating teams themselves.

Not only did this lead to a 10% reduction in total manufacturing cost, the customer services levels now exceed 99% and the plant has gone 18 months without a lost time accident - a significant transformation.

Another area of focus going forward will be procurement where we are creating a more effective global function to deliver savings in goods and services. A new head of this organisation joined the company in July.

Once again over the last six months we have undertaken significant work. The conclusions are clear, we have some pockets of excellence in key areas such as cocoa procurement. But the former regional structure limited our leverage and restricted the flow of best practice. This was an area of opportunity which was obvious to me as an outsider when I joined the company earlier this year.

As a result we are renewing our focus on building a world class global procurement function that will consolidate our scale and deliver quick wins. At the same time we will invest in capabilities to introduce best practice across the organisation. Let me give you some examples of what this means. In our review we have identified that roughly two thirds of our spend does not deliver the full benefits of effective procurement. This pool has been segmented to fully identify the opportunities and priorities for the organisation to work on. And this work has already started.

For example, today we buy from over 20 flavour suppliers. We spend over £400 million on packaging from well over 100 suppliers and spend nearly £70 million on local IT support with global players, but negotiated at the local level. By aggressively managing these activities we believe procurement can deliver over half our total savings within cost of goods.

Turning to SG&A, our objective will be to further leverage our structure and processes to drive greater efficiency. Our category led model will continue to drive benefits from our commercial and science and technology teams, strengthening management of the innovation pipeline and prioritising more and more multi market product initiatives.

We will continue to remove waste and drive our unnecessary general administrative costs with any restructuring charges being absorbed within business improvement costs.

Our plan is constrain the growth in SG&A costs to around 2% per annum, which will help drive significant operating leverage. At the same time we will continue to invest in the things that drive our long-term growth, such as marketing, innovation and our route to market.

We will look to at least increase investment in line with sales and drive greater benefits from scale or grow investments in percentage terms as we plan to do with marketing.

As a result of all these plans, we are looking to make some radical changes to our cost structure. Costs of goods sold, including the balance of the reconfiguration work should reduce between 150 to 250 basis points and SG&A by a further 200 to 300 basis points. Marketing increases will partially offset these reductions, leaving operating margins between 16 and 18%.

I've talked a little bit about business improvement costs. Our intention is to embed restructuring charges within underlying operating profit. To do this we expect to raise our business improvement costs to around 70 to 80 basis points of revenue, and increased margin targets will be after this higher level of investment.

In summary we remain committed to delivering the full benefits of our original Vision into Action programme over the next two years, [3 second gap in audio] savings in our cost of goods, operational leverage and further self funded cost saving initiatives.

Given the structure of our profit and loss account and the actions we are taking to deliver improvements, we are confident that we will deliver our new target of 16 to 18% operating margin by 2013.

Turning to cash, our new target is to deliver 80 to 90% operating cash conversation from 2010 onwards, with a target of over £700 million of free cash flow in 2013. This reflects the payback from the significant transformation we have undertaken and the benefits of the investments we have made to date. For example going forward our goal is that our capital expenditure will be much more modest, around 4 to 5% of revenues and will be increasingly focused on productivity and growth.

In addition to the lower levels of capital expenditure, we expect that strong working capital management will see us convert a very high percentage of operating profit into net cash from operations.

We will still have modest restructuring rolling through the first phase of the plan, but once that is behind us our conversation ratio will be comfortably over 80 to 90% of profit. As a result we expect that substantial cash generation will be available to create value for shareholders by reinvesting in the business, returning cash to shareholders or reducing debt.

Reinforcing our expectation of strong free cash generation, we expect that by 2013 we will be generating around £700 million of free cash flow per annum.

Now let me turn to the dividend. The combination of excellent cash generation and improving profitability gives us confidence to commit to a strong dividend policy going forward. As a result our goal will be to deliver double-digit growth in dividends from 2010 onwards. The benefits of all of this will also translate into a significant rise in our return on invested capital. Our plan is to increase returns by at least 300 basis points by 2013. The drivers of this are very consistent with those set out earlier - higher margins, combined with a well managed tax rate, on a steady capital base will drive leverage and higher returns. In fact the value of the incremental returns we'll be creating each year will be very significant.

So to bring this all together, our upgraded targets reflect a balanced approach to delivering higher performance and higher value. Our goal is to have a balanced deliver of margins, free cash and returns. Margins will reflect reduced restructuring costs, continuous improvement and sustained investment and growth. We expect the free cash generation will benefit from higher profitability, but also lower restructuring, lower CAPEX and improved working capital management. And returns will benefit from leveraging a higher profitability on a steady capital structure. A strong recipe for value creation.

Thank you, and I'll now hand back to Roger.

Roger Carr:

Well thank you both Todd and Andrew, cometh the hour cometh the men. In summary as you have seen we have a powerful business model - well-defined targets given by a management team with a proven reputation for delivery and a strong commitment to growth acceleration and shareholder value creation. The financial performance we have spoken of today - past, present and future - is derived from the normal rhythm of the business, driven by determined and professional managers - a team who fully understand that they will be judged by their deeds, not their promises.

What it is not is a kneejerk reaction to the approach by Kraft; it is simply an early announcement of future targets that were already embedded into our medium term business plan.

In conclusion, I want to offer the following observations. Cadbury is not for sale, but the approach from Kraft has clearly placed the business in play and thrown the spotlight on many of its qualities. Others have publicly stated their interest and may yet choose to enter the fray. The board's attitude to all comers has been steadfast throughout. It is about value and only value. While some sources of value may be more palatable than others, it is the offer not the bidder that would determine the outcome.

Our defence to the Kraft approach is not rooted in history or wrapped in the Union flag; it is grounded in the inherent worth of the business today and the growing worth that will be derived from the increased performance of tomorrow. We have no need or reason to consider strategic U-turns, financial engineering, or

Pac-Man defences - so often a feature of weak businesses under siege.

Cadbury has made the strategic changes by demerger; reduced the cost base by delayering; strengthened the balance sheet by disposals; reinforced the management by selective recruitment, and built the value quarter by quarter with strong performance delivery.

It is a great company with outstanding prospects, and this morning it has revealed the road map to deliver further material shareholder value. It has a heritage and a future that must be paid for. The offer from Kraft ignores the past, undervalues the present, is blind to the future, deserves rejection and will be vigorously defended.

Thank you very much for listening to us this morning we're now going to take some questions. Some of the question will be through the webcast so if necessary I'm going to ask John Dawson to relay the questions to us at that time. So thank you, we'll reassemble and once we're seated we'll take the first question.

END